

AdLab

06-121

FILED/ACCEPTED
FEB 27 2007

Federal Communications Commission
Office of the Secretary

CONFERENCE REPORT

Date: November 2, 2001 Subject: Conference Call

Present: for WCBS-FM- Lance Delaney & Julio Arriaga; for Alice Travel-Jerry Davis; for AdLab Media- Barry Cohen

Both parties agreed to the need for the call as the result of a failed client promotion on the station. Alice Travel had bought advertising to support a personality-hosted trip. The trip had little response; the promotion was severely impacted by the events of 9/11. The poor participation would not generate enough revenue to cover the cost of the advertising.

At the start of the call, CBS informed the client that Dan Daniel was unwilling to host the trip. The client indicated that this would result in further cancellations from the already small number of people that had booked, since people go on these trips to be with the personalities. Furthermore, this would force Alice Travel to incur still more expense by either offering further price reductions or accommodation upgrades, as compensation for Dan Daniel not hosting the trip. Alice Travel indicated still another complication--if the travel agency decided not to run the trip, the people booked were in the cruise line's penalty period. This would result in Alice Travel having to refund deposits at their expense.

Alice Travel proposed running another trip in 2002; CBS suggested a possible tie-in to a station remote broadcast in Florida. Alice Travel agreed in principal to committing to a 2002 paid advertising schedule, if they could find an appropriate trip for the CBS-FM audience. However, the client was emphatic that they could not in good conscience be expected to pay for the first schedule, based on the failure of the station and the personality to deliver results. CBS agreed to a make-good schedule early in 2002.

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WCBS-FM
1515 BROADWAY, 40TH FLOOR
NEW YORK, NEW YORK 10036-2000

(212) 846-6100

January 15, 2002

Alice Travel
277 Fairfield Road Suite 218
Fairfield, New Jersey 07004

Dear Mr. Davis

We have been in contact with your company regarding a past due balance of \$30,000.00. This balance represents air time provided by WCBS-FM for the invoices indicated below.

<u>Client</u>	<u>Date</u>	<u>Amount</u>
Oldies Cruise	08/27/01	\$15,000.00
Oldies Cruise	09/30/01	\$15,000.00

TOTAL

\$30,000.00

As you can appreciate, we have been both patient and cooperative. We can no longer continue to hold the balance open. Apparent avoidance will no longer be accepted or tolerated. Therefore, if we do not receive full payment on Thursday January 17, 2002 by 11 AM. After that date and time whatever flexibility we may have regarding payment arrangements will be extremely limited. We then will take further steps to protect our interest. Consider this the last communication you will receive from WCBS-FM regarding the past due amount of \$30,000.00. Agency commission has been negated because, we have not been paid within our terms. Infinity Broadcasting has a joint and several liability clause which means specifically, we hold all parties liable until we are paid.

If payment is not received, by the deadline stated above, the additional following actions will be taken:

1. Referring your company to legal-authorities.
2. Notifying all Viacom Inc. Properties of your inability to meet obligations regarding airtime.
3. Notify all credit reporting bureaus of Alice Travel delinquent and derogatory credit history with Viacom Inc / Infinity

We sincerely hope that these steps will not be necessary, and anticipate your prompt response regarding this matter.

THE DEADLINE FOR YOUR PAYMENT IS JANUARY 17, 2002 11AM.

PLEASE REMIT TO: WCBS-FM
1515 Broadway 40th Flr
New York City, New York 10036

Sincerely,

Henry J. Malloy Jr.
WCBS-FM Business Manager
(212) 846-5167

cc. Lance Delaney Sales Mgr WCBS-FM
Julio Arriaga Account Executive WCBS-FM
Alishia Reaves Accounts Receivable Supervisor WCBS-FM
Harvey, Scott & St. Charles Charles Boitano CEO
Viacom Litigation Department

AdLab

January 16, 2002
Mr. Henry J. Malloy, Jr., WCBS-FM Business Mgr.
1515 Broadway 40th fl
New York, NY 10036

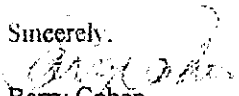
Dear Mr. Malloy:

Our client, Alice Travel Inc., has forwarded a copy of your letter to them, dated January 15, 2002. Several points bear mentioning.

1. Our order for the air schedule on behalf of this client was placed with explicit language that **the schedule was contingent upon Dan Daniel hosting the listener trip.** (See our attached insertion order) The order was accepted and placed; those terms were never questioned.
2. The schedule performed poorly, generating far less response than the station, the agency or the client expected. The tragedy of September 11 then stopped any and all activity.
3. On November 2, 2001, the client, the ad agency and radio station representatives held a conference call to strategize how to resolve the failed promotion. (See enclosed Conference Report.) The understanding and agreement we made was that **the station would run a make-good schedule hosted by a CBS-FM personality**; the client would try to find an acceptable make-good trip and **the client would pay for the 2002 schedule--not for the failed schedule.**
4. The client has been attempting to find acceptable replacement product, and we have had continuing dialogue with the Sales Dept. Last week, the Business Office first called the ad agency, contesting the above, demanding payment and insisting upon contacting the client. Our understanding is that the client was out of town when the first call was placed by the Business Office, out sick Monday, 1/14/02 and only spoke to your office the day your letter was written--hardly uncooperative. Your deadline to our client is therefore grossly unreasonable.
5. As is standard in our industry, AdLab Media Communications, LLC practices sequential liability. We are obligated to pay stations to the extent that we have been paid by the client. **Our order was placed "in care of" and credit is supplied on each and every client we place on each and every station. We are not liable for schedules that promote our clients' businesses.** We have an excellent track record of payment to radio stations, nationwide. We pride ourselves on bringing good clients to your's and other stations.

We recommend that the WCBS-FM Sales Dept. and the Business Office confer and that both departments agree to make satisfactory restitution to our client, as originally promised.

Sincerely,


Barry Cohen

cc: Julio Arriaga & Lance Delancy, WCBS-FM
Jerry A. Casser, Esq.

Radio has to stop sending messages that it is the media's used car lot

The Great Divide

Barry Cohen
barry@adlabcreative.com



'When we take total responsibility for the success of every radio campaign on our stations, from start to finish, then, and only then, will we reduce the churn rate of our advertisers.'

—Barry Cohen

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between the way radio sells its product and the way its consumers—advertisers and agencies—need and want to buy it.

Let's examine today's typical radio sales call. It goes something like this: Without even asking the prospect about his or her target, the salesperson immediately launches into a diatribe about how much of the station's audience is aged 25-54. How do you know I don't want your 55+ audience? (Some of us actually do.) Next comes the sad excuse for a station presentation, usually a canned PowerPoint.

It gets worse.

You want a proposal? Here is the package of the week. Worse yet, now that we have your phone number and your e-mail address, we're going to bombard you with our "one-day sale," every month. (As if everyone will just drop whatever they're doing to climb all over it.)

And you're wondering why people think of radio as a quick fix, instead of a key, driving ele-

marketing means aligning the way you sell (and/or move goods and services through a distribution system to the end user) with the way your customers buy." I offer that definition in the first chapter of my book "10 Ways to Screw Up an Ad Campaign." ■ The radio community sells, it does not market. Today we have a huge disconnect

ment in a long-term plan? You get back what you give out. Radio has to stop sending the message that we are the media's used car lot.

Twenty-eight years ago, when I started my radio sales career, we were taught the consultative sell. We were there to solve the client's problems, not to move our station's inventory. Promotional ideas and creative copy and production were our stock in trade; not cost-per-point, gross-ratings points and gross impressions.

Here is a little-known secret—they still are.

Yes, the consolidation mind-set has transformed our product into a commodity. Advertisers and agencies don't buy your station's branding—they buy an anonymous, amorphous blob of an audience number. But that approach is inherently wrong. A minute is not a minute is not a minute.

Does the advertiser want bodies or buyers?

Radio has sealed its own death warrant by relying too heavily on quantitative audience measurement. We need to distinguish our product's unique attributes with our stellar qualitative, with our fanatical audience loyalty, with our unique format, with our exclusive content and our unduplicated audiences—not to mention the strength of our personalities and our ability to turn a campaign around on a dime. You get the idea.

Under The Microscope

Don't shoot the messenger. The problem is management. Our salespeople do what we train them to do. While so many radio managers talk about nontraditional revenue, when an advertiser or an agency approaches them with an out-of-the-box idea, they usually throw it back in the box.

"The Great Divide" will widen before it narrows. When we take total responsibility for the success of every radio campaign on our stations, from start to finish, then, and only then, will we reduce the churn rate of our advertisers. Everything we do is under the microscope. Advertisers and agencies want accountability, not window dressing. If the dayparts they selected will not successfully deliver their target, if the copy they submit will not resonate with your audience, you need to tell them. Ugly babies and lipstick on pigs aside, they will only respect you for your commitment to their success. Throw the full weight of your station's resources behind their campaign. Advertiser retention is the key to revenue growth, not unconscious rate increases that chase advertisers away from the medium. Results determine our value, not ratings and not demand.

Let's get back to basics.

Start by re-engineering your sales meetings. Resurrect the old tried-and-true best practices. For example, build in that group brainstorming session where each person throws out a challenge they're facing with a client and everyone contributes ideas and solutions. Have a salesperson take 10-15 minutes to review a new book or CD that will help improve everyone's skills.

Refocus on results. Get those client testimonial letters, pull success stories from the RAB and present them to your client. Show your prospects the actual pile of contest entries. Bring them photos of the crowds that showed up at your last client or station promotional event. When you bring in the trainers and consultants, invite your most skeptical prospects, along with your most successful clients. Encourage the skeptics to offer up their greatest marketing challenges and invite the group to help solve them. Contagious enthusiasm sells on the airwaves as well as off.

This is how advertisers and agencies want to be sold. As long as we continue to ignore the great divide between how we are selling radio and how people really want to buy radio, we will continue to experience declining revenue.

What is it costing you?

BA

Barry Cohen is managing member of AdLab Media Communications in Clifton, N.J., a "radio first" agency/production company. His book "10 Ways to Screw Up an Ad Campaign" has been used as a training text in the radio industry.

THE 60-SECOND COPYWRITER Writers' Daily Exercises

By Jeffrey Hedquist

Good radio writers are good storytellers. Try spending the five to 20 minutes you have set aside to do your writing each day to create a different kind of story: a drama, sports story, adventure, humor piece, whimsy or fairytale. Try writing a first person account, a third person account, a news story. The possibilities are almost endless.

Practice writing your pieces from different points of view, just as you write commercials for different audiences.

The purpose of the exercise is to strengthen your creative muscles. The inspirations can come from anywhere: your health, the weather, an idea that came to you in the shower, something you saw in the media, a comment

someone made, a remembrance.

You don't have to spend more than five or 20 minutes of concentrated writing: putting the pen to paper, and not stopping, simply writing just to get the flow of words going.

Keep your daily writing in a safe place, organized by subject, ready for retrieval when you need an idea starter or a way to break writer's block.

Hedquist Productions founder Jeffrey Hedquist can be reached at 641-672-6708 or jeffrey@hedquist.com.

TAPSCAN

Rank Report

NEW YORK

FALL 2006 ARBITRON METRO Survey Area

M-SU 6A-12M

ADULTS 25-54 --- Population/Sample:7,917,100/6,583

Stations Ranked by: AVERAGE PERSONS

STATIONS	FORMAT	AVERAGE PERSONS	AVG RTG	AVG SHR	CUME PERSONS	CUME RTG	TSL (QH)
1 WLTW-FM	Soft AC	96,400	1.2%	7.6%	1,401,200	17.7%	34.7
2 WSKQ-FM	Spanish CHR	77,200	1.0%	6.1%	795,400	10.0%	48.9
3 WBLS-FM	Urban AC	71,300	0.9%	5.6%	852,800	10.8%	42.1
4 WPAT-FM	Romantica	68,500	0.9%	5.4%	742,600	9.4%	46.5
5 WRKS-FM	Urban AC	60,300	0.8%	4.7%	822,000	10.4%	37.0
6 WHTZ-FM	CHR	51,500	0.7%	4.1%	1,277,000	16.1%	20.3
7 WAXQ-FM	Classic Rock	51,000	0.6%	4.0%	1,011,300	12.8%	25.4
8 WKTU-FM	Various	42,100	0.5%	3.3%	999,400	12.6%	21.2
9 WQCD-FM	Smooth Jazz	41,700	0.5%	3.3%	718,500	9.1%	29.3
10 WQHT-FM	Dance-CHR	39,200	0.5%	3.1%	729,500	9.2%	27.1
11 WPLJ-FM	Hot AC	38,200	0.5%	3.0%	991,300	12.5%	19.4
12 WCBS-FM	Various	37,300	0.5%	2.9%	822,900	10.4%	22.8
13 WINS	News	35,900	0.5%	2.8%	1,230,700	15.5%	14.7
14 WWPR-FM	Urban Contemp	35,200	0.4%	2.8%	713,600	9.0%	24.9
15 WFAN	Sports	33,400	0.4%	2.6%	681,600	8.6%	24.7
16 WABC	Talk	25,300	0.3%	2.0%	379,700	4.8%	33.6
17 WNEW-FM	AC	23,500	0.3%	1.9%	614,000	7.8%	19.3
18 WFNY-FM	Talk	20,200	0.3%	1.6%	458,600	5.8%	22.2
19 WCBS	News	18,100	0.2%	1.4%	654,500	8.3%	13.9
20 WADO	Sp News Talk	16,700	0.2%	1.3%	225,400	2.8%	37.3
tie WCAA-FM	Various	16,700	0.2%	1.3%	372,600	4.7%	22.6
22 WALK-FM	AC	15,200	0.2%	1.2%	221,400	2.8%	34.6
23 WKXW-FM	Talk	11,700	0.1%	0.9%	246,800	3.1%	23.9
24 WEPN	Sports	11,600	0.1%	0.9%	338,300	4.3%	17.3
25 WQXR-FM	Classical	10,600	0.1%	0.8%	243,800	3.1%	21.9
26 WBAB-FM	Rock	9,700	0.1%	0.8%	224,700	2.8%	21.8
27 WBLI-FM	CHR	9,600	0.1%	0.8%	212,500	2.7%	22.8
28 WKJY-FM	AC	8,200	0.1%	0.6%	163,100	2.1%	25.3
29 WWRL	Talk	7,700	0.1%	0.6%	106,400	1.3%	36.5
30 WOR	Talk	7,300	0.1%	0.6%	179,600	2.3%	20.5
31 WAWZ-FM	Rel./Contemp	6,700	0.1%	0.5%	110,500	1.4%	30.6
32 WDHA-FM	Rock	6,600	0.1%	0.5%	139,900	1.8%	23.8
tie WHUD-FM	AC	6,600	0.1%	0.5%	111,500	1.4%	29.8
34 WBZO-FM	Oldies	5,400	0.1%	0.4%	99,700	1.3%	27.3
35 WLIB	Various	5,100	0.1%	0.4%	58,000	0.7%	44.3
36 WMGQ-FM	AC	4,400	0.1%	0.3%	76,300	1.0%	29.1
37 WBRR	Business News	3,900	0.0%	0.3%	127,000	1.6%	15.5
38 WHLI	Adult Standards	900	0.0%	0.1%	10,400	0.1%	31.5
MARKET LEVEL:		1,269,700	16.0%		7,489,400	94.6%	85.4

Note: Audience estimates have been adjusted for actual broadcast schedule. WHLI (Fall 2006)

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TAPSCAN
Software Suite

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FEB 27 2007

Federal Communications Commission
Office of the Secretary

06-121

Good morning,

My name is Lauri Lebo. Until three weeks ago, I was a newspaper reporter at the York Daily Record in York, Pa., a community 30 minutes south of here.

I grew up in York County. Today, I live less than a mile from where I was raised. I have been a journalist for 20 years and have worked at a number of newspapers throughout Pennsylvania.

Ten years ago, I returned home to work at The York Dispatch/Sunday News, where I was privileged to be part of a team of investigative reporters working to solve two Civil Rights-era murders. The York Dispatch's reporting played a crucial role in the 2000 arrest of York's mayor and helped lead to convictions in both killings after three decades. It was my proudest moment as a journalist, knowing that we helped bring justice to my community. The national media came for the press conferences and dramatic testimony. But the digging through our town's history, the poring over 30-year-old records, enduring the threats and tirades of angry men with dark secrets, and coaxing the time-softened memories from victims' families - that work was done by the local press.

Three years ago, the owner of our newspaper, Dean Singleton of MediaNews Group, flew in from Colorado and visited our newsroom. He had just purchased our competitor, the York Daily Record, and was moving the Sunday operations down the street. Mr. Singleton's people read the names of 18 journalists. My name was on that list. Clean out your desks, we were told, because tomorrow morning you will report to work for the competition.

As part of exercising his Department of Justice-approved option in a joint operating agreement, what Mr. Singleton did that day was consolidate York's media and gut our newsroom. Then he shook all our hands before climbing back on his corporate jet to fly home.

I did indeed report for work the next morning at the Daily Record and while I was there, I was again privileged to report on a story of national interest. I was the lead reporter covering the first constitutional test case of intelligent design - the idea that life's complexity demands a guiding hand. Following a six-week trial, which drew media attention from around the world, a federal judge ruled that the Dover Area School District's intelligent-design policy was creationism and said teaching it in science class violated the First Amendment.

It was an amazing experience. On the last day of the trial, I stood in front of the courthouse and was moved by what I saw, the fruits of American ideals and reasoned debate being demonstrated on these steps.

In my articles, I worked hard to accurately reflect what happened in the courtroom - and not just pull from my notebook one quote from each side and present the debate as evenly balanced. Because I believe it is our job, our responsibility, as journalists to sift through the information and report what is true and place the information in the proper context.

In the book, "The Elements of Journalism," Bill Kovach and Tom Rosenstiel wrote, "Editors must serve as the protector against debasement of the currency of free expression - words -

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resisting effort by governments, corporations, litigants, lawyers, or any other newsmaker to mislead or manipulate by labeling lies as truth."

The problem, however, is one of the casualties of media consolidation has been the cutting of newsroom resources. And this makes it a lot harder to do our jobs as protectors of truth.

There has been much said of citizen journalism, of bloggers posting information on the Web. These individuals frequently provide invaluable perspective. But I would like to stress, someone still has to gather that information. At a time of fantastic and rapid changes in the presentation of news, I have found information is still, for the most part, gathered by traditional method – knowing your sources, your community and your subject better than anyone else. It still means old-fashioned shoe-leather journalism. But media consolidation spells cuts in resources, which threatens that depth and breadth of knowledge and hinders democracy.

Dr. Kevin Padian, a University of California evolutionary biologist and paleontologist, and one of the Dover trial's expert witnesses, told me that there is actually a greater need now for scientific literacy in the media. For better or for worse, the public's knowledge of science comes primarily from the press.

But the crimping of resources means that all too often science stories are written by reporters without a background in the field. Stories about domestic disputes or debates at City Hall may require a "he said, she said" balance. But not all ideas in science are equal. They have to be tested against other lines of evidence, and they have to use standard methods and approaches in each field. But most reporters don't realize that science is not a democratic enterprise.

Consequently, they are unable to recognize fallacies in arguments made by those who might be pushing a point of view that has been unsubstantiated or even rejected by other research in the scientific community. Sometimes reporters even present a non-scientific issue – such as intelligent design – as having more legitimacy than it should. As Padian said, "That reporter is doing a disservice to readers and actually misrepresenting what science is about."

I have recently left the newspaper to write a book about Dover's battle. I have learned that my reporter position at the newspaper has been eliminated. So, after several years of already strident newsroom cuts, there will be one less body to gather the news in York, despite the fact that MediaNews Group profit margin last year was a healthy 14.8 percent. And the reporters who remain will have to work that much harder to fill that gap.

There is one other element to my story. A year ago, my father Dean Lebo passed away and left his family the storefront Christian radio station he owned and operated just across the Susquehanna River in Shiremanstown.

The station's religious programming features news with an evangelical worldview, by local people of diverse backgrounds. Does the radio station make a lot of money? No. Does it earn a profit? Yes. But its greatest strength is in the voice it gives to people from diverse backgrounds who might not otherwise be heard.

My father and I disagreed about many things and I'll be honest, I don't always agree with all the radio station's fundamentalist views. But in the year since his death, I've come to realize that my father and I shared a passionate ideal - that the free flowing of ideas and an informed citizenry is imperative to a healthy community.

The diversity of voices is already under attack, more concentrated ownership is not the answer. This is why preserving the ban on cross-ownership of newspapers and broadcast outlets in the same market is necessary.

Increasing media consolidation reduces competition, which translates into the cutting of resources in the interest of feeding short-term corporate profits. This means further media consolidation would also hinder the kind of investigative reporting that helped solve two Civil-Rights era murders, and foster a shallow "He said, She said" kind of coverage of complex issues, but it also would likely silence the opinions of those whose views may be considered to be outside the mainstream.

I know there are profit-minded individuals who argue the media regulation changes are necessary. But I don't think you can put a price tag on the First Amendment.
Thank you.